

Legislative Notice

Editor, Judy Gorman Prinkey

No. 15

May 15, 1995

S. 395 — Alaska Power Administration Sale Act

Calendar No. 101

Reported on April 27, 1995, from the Committee on Energy and Natural Resources, with amendments, by a vote of 14-4. Voting nay were Senators Hatfield, Bumpers, Akaka, and Wellstone. A hearing was held on March 1, 1995. S. Rept. 104-78.

NOTEWORTHY

- By a unanimous consent agreement reached today, the Senate will turn to S. 395 at noon.
- S. 395 authorizes and directs the Secretary of Energy to sell the Alaska Power Administration, and repeals the current prohibitions on the export of Alaskan North Slope oil.

BILL SUMMARY

Title I

The Alaska Power Administration Asset Sale and Termination Act

The bill directs the Secretary of Energy to sell the Snettisham Hydroelectric Project, near Juneau, to the State of Alaska.

The bill also directs the Secretary of Energy to sell the Eklutna Hydroelectric Project, near Anchorage, jointly to the Municipality of Anchorage, the Chugach Electric Association, and the Matanuska Electric Association.

The two projects will be sold at a price established in a 1989 purchase agreement entered into between the Department of Energy and the purchasers. The sale prices are determined by calculating the net present value of the remaining debt service payments that the Treasury would receive if the federal government retained ownership of the two projects.

The bill provides that, following the sales, both projects will not be subject to the Federal Energy Regulatory Commission's licensing requirements under the Federal Power Act. However, the bill specifies that the projects will continue to be bound by previous agreements entered into with the federal government to protect fish and wildlife.

Title II

The Trans-Alaska Pipeline Amendment Act of 1995

The bill repeals all federal laws that prohibit the exportation of crude oil produced on the Alaskan North Slope, which is transported through the Trans-Alaska Pipeline to Valdez harbor on the south coast of Alaska. The prohibitions on exportation were imposed at the time that Congress passed the Trans-Alaska Pipeline Act of 1973, granting authority to the private sector to build the Trans-Alaska Pipeline. This legislation passed during the first oil embargo imposed on the United States by Middle-East exporters.

Nothing in the legislation would prevent the President from restricting the exportation of Alaskan oil, if the President determined that action was in the national interest, pursuant to the Export Administration Act of 1969.

The bill also requires that Alaska North Slope oil be exported on American-flag tankers, unless the destination is either a country which currently is eligible to receive oil under a bilateral international oil supply agreement, such as Israel, or to the countries that are signatories of the International Emergency Oil Sharing Plan of the International Energy Agency.

COST

In a letter to the Senate Energy and Natural Resources Committee dated March 22, 1995, the Congressional Budget Office estimated that the sale of the Alaska Power Administration assets authorized in Title I would not have budgetary impact because consummation of the sale would require future legislation authorizing the State of Alaska to issue tax-exempt debt to finance the purchase of the properties. However, CBO estimated